

AMENDED IN ASSEMBLY JUNE 1, 2009

AMENDED IN ASSEMBLY APRIL 22, 2009

AMENDED IN ASSEMBLY MARCH 31, 2009

AMENDED IN ASSEMBLY MARCH 17, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 42

Introduced by Assembly Member Blakeslee

December 1, 2008

An act to add Section 565 to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 42, as amended, Blakeslee. Electricity: Pacific Gas and Electric Company: seismic fault.

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities including electrical corporations, as defined.

Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to conduct various assessments and forecasts on energy industry supply, production, transportation, delivery and distribution, demand, and prices.

This bill would require *Pacific Gas and Electric Company*, in furtherance of the recommendations made by the Energy Commission, ~~on or before April 1, 2010, in a public hearing and in consultation with the California Geologic Survey, Seismic Safety Commission, and California Coastal Commission, to determine what, if any, seismic fault and other hazard or vulnerability studies or surveys are urgently needed~~

for the area at or near the ~~Diablo Canyon Nuclear Powerplant~~. The bill would require the Pacific Gas and Electric Company to conduct those seismic fault and other hazard or vulnerability studies or surveys at or near the vicinity of the ~~Diablo Canyon Nuclear Powerplant~~ that are deemed urgent by the Energy Commission *nuclear powerplant in order to maintain reliable operation of the electrical grid and mitigate impacts to customer rates that could result from a seismic event*. Because a violation of this requirement would be a crime, this bill would impose a state-mandated local program. The ~~Energy~~ bill would require the ~~Commission~~ *commission*, in consultation with the California Geologic Survey, *and the Seismic Safety Commission, and California Coastal Commission*, to conduct or facilitate a peer review of any fault studies or surveys conducted pursuant to that requirement within 120 days of receipt of a final study or survey. The bill would require the Pacific Gas and Electric Company to *fund all costs associated with a peer review of any studies or surveys and would require the commission to authorize the utility to fully recover, in its electricity procurement rates, all reasonable costs associated with any studies, surveys, or peer review required pursuant to the bill.*

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(3) This bill would state the findings and declarations of the Legislature concerning the need for special legislation.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) In issuing Decision 07-03-044, the Public Utilities
- 4 Commission authorized an expenditure of sixteen million eight
- 5 hundred thousand dollars (\$16,800,000) of ratepayer funds to
- 6 explore the feasibility of relicensing the ~~Diablo Canyon Nuclear~~
- 7 ~~Power Plant~~ *nuclear powerplant*.
- 8 (b) The Public Utilities Commission, regarding the expenditure
- 9 of those funds, said that Pacific Gas and Electric Company should

1 defer, to the extent feasible, its work, its own study, and associated
2 spending, until after the State Energy Resources Conservation and
3 Development Commission (Energy Commission) issues its findings
4 and conclusions pursuant to Chapter 722 of the Statutes of 2006,
5 and that Pacific Gas and Electric Company should incorporate the
6 findings and recommendations of that Energy Commission
7 assessment in its own work.

8 (c) The assessment made pursuant to Chapter 722 of the Statutes
9 of 2006 included several findings and recommendations; in
10 particular, the Energy Commission found that Pacific Gas and
11 Electric Company should use three-dimensional geophysical
12 seismic reflection mapping and other advanced techniques to
13 explore fault zones near Diablo Canyon.

14 (d) The July 2007 magnitude 6.8 Japan Sea earthquake located
15 16 kilometers from Tokyo Electric Power Company's
16 Kashiwazaki-Kariwa Nuclear Power Plant shut down the facility
17 at a cost of some hundreds of millions of dollars per month.

18 (e) In November 2008, the United States Geological Survey
19 identified a previously unidentified offshore fault approximately
20 one kilometer west of Diablo Canyon Nuclear Power Plant *nuclear*
21 *powerplant* with an estimated ability to generate a magnitude 6.5
22 earthquake.

23 SEC. 2. Section 565 is added to the Public Utilities Code, to
24 read:

25 ~~565. (a) (1) On or before April 1, 2010, in a public hearing~~
26 ~~and in consultation with the California Geologic Survey, Seismic~~
27 ~~Safety Commission, and California Coastal Commission, the~~
28 ~~Energy Commission shall determine what, if any, seismic fault~~
29 ~~and other hazard or vulnerability studies or surveys are urgently~~
30 ~~needed for the area at or near the Diablo Canyon Nuclear~~
31 ~~Powerplant. The determination shall be made in furtherance of the~~
32 ~~responsibilities of the Energy Commission pursuant to paragraph~~
33 ~~(8) of subdivision (a) of Section 25303 of the Public Resources~~
34 ~~Code, in order to maintain reliable operation of the electrical grid~~
35 ~~and reduce impacts to customer rates as a result of a seismic or~~
36 ~~other catastrophic event.~~

37 ~~(2) Pacific Gas and Electric Company shall conduct those~~
38 ~~seismic fault and other hazard or vulnerability studies or surveys~~
39 ~~at or near the vicinity of the Diablo Canyon Nuclear Powerplant~~

1 that are deemed urgent by the Energy Commission pursuant to
2 paragraph (1):

3 ~~(3) The commission shall consider any seismic fault and other~~
4 ~~hazard or vulnerability studies or surveys required pursuant to this~~
5 ~~subdivision in its review of Pacific Gas and Electric Company's~~
6 ~~license renewal application required by the commission in Decision~~
7 ~~07-03-044. The commission shall extend the June 30, 2011,~~
8 ~~application deadline, order number 11 in Decision 07-03-044, if~~
9 ~~the commission finds, upon petition or other application by Pacific~~
10 ~~Gas and Electric Company, that an extension is necessary to~~
11 ~~complete the studies or surveys or to allow the Energy Commission~~
12 ~~to complete a per review complete peer review pursuant to~~
13 ~~subdivision (b).~~

14 565. (a) (1) *Pacific Gas and Electric Company shall, in*
15 *furtherance of the recommendations made by the Energy*
16 *Commission pursuant to paragraph (8) of subdivision (a) of Section*
17 *25303 of the Public Resources Code, conduct seismic fault studies*
18 *or surveys, including, but not limited to, three-dimensional*
19 *geophysical seismic reflection mapping, for the area at or near*
20 *the Diablo Canyon nuclear powerplant, in order to maintain*
21 *reliable operation of the electrical grid and mitigate impacts to*
22 *customer rates that could result from a seismic event. Pacific Gas*
23 *and Electric Company shall seek funding for the studies or surveys*
24 *in its application to the commission for license renewal of the*
25 *Diablo Canyon nuclear powerplant, in compliance with*
26 *commission Decision 07-03-044.*

27 ~~(4)~~

28 (2) The Energy Commission, in consultation with the California
29 Geologic Survey, ~~Seismic Safety Commission, and California~~
30 ~~Coastal and the Seismic Safety~~ Commission, may participate in
31 the development of study or survey designs.

32 (b) (1) The Energy Commission, in consultation with the
33 California Geologic Survey, ~~Seismic Safety Commission, and~~
34 ~~California Coastal and the Seismic Safety~~ Commission, shall
35 conduct or facilitate a peer review of any studies or surveys
36 conducted pursuant to subdivision (a) within 120 days of receipt
37 of a final study or survey.

38 (2) The Energy Commission may enter into agreements with
39 qualified scientists with expertise in fault imaging and character

1 and behavior studies to conduct an external scientific peer review
2 of the scientific basis for any fault study or survey.

3 (3) The Energy Commission shall include the findings and
4 recommendations of any studies or surveys conducted pursuant to
5 subdivision (a) in the integrated energy policy report as updates
6 pursuant to subparagraph (D) of paragraph (8) of subdivision (a)
7 of Section 25303 of the Public Resources Code.

8 (4) *Pacific Gas and Electric Company shall be responsible for*
9 *funding all costs associated with a peer review of any studies or*
10 *surveys conducted pursuant to subdivision (a).*

11 (c) The commission shall allow Pacific Gas and Electric
12 Company to fully recover , in its electricity procurement rates, all
13 reasonable costs associated with any studies or surveys required
14 pursuant to subdivision (a) and the peer review required pursuant
15 to subdivision (b). *The commission shall expedite issuance of its*
16 *decision approving the recovery of costs as specified in this section,*
17 *so that the decision is made within 120 days of filing the*
18 *application.*

19 SEC. 3. No reimbursement is required by this act pursuant to
20 Section 6 of Article XIII B of the California Constitution because
21 the only costs that may be incurred by a local agency or school
22 district will be incurred because this act creates a new crime or
23 infraction, eliminates a crime or infraction, or changes the penalty
24 for a crime or infraction, within the meaning of Section 17556 of
25 the Government Code, or changes the definition of a crime within
26 the meaning of Section 6 of Article XIII B of the California
27 Constitution.

28 SEC. 4. The Legislature finds and declares that a special law
29 is necessary and that a general law cannot be made applicable
30 within the meaning of Section 16 of Article IV of the California
31 Constitution because of unique circumstances pertaining to Pacific
32 Gas and Electric Company.